



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF STATE LANDS AND FORESTRY

Michael O. Leavitt  
Governor

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Division Director

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May 17, 1994

CERTIFIED MAIL NO. P 051 448 244

Jerry Galzier  
5M Inc.  
P.O. Box 752  
Hurricane, UT 84180

Dear Mr. Glazier:

RE: ML 40450 and ML 40059 Met Min  
S/021/009 Juab County

The terms and conditions of the above-numbered leases and the rules of the division require that upon submitting a notice of intent to commence mining the Lessee shall, upon Lessor's request, post a bond with the division. A bond is required primarily to ensure the reclamation of mined land disturbances but shall also be conditioned upon the payment of rentals and royalties which may become due the state.

Division records indicate that you submitted a notice of intent to commence mining activity upon these lands in 1988. You are requested to immediately submit a surety bond in the amount of \$5,000 using the enclosed surety bond form. The Surety must be registered in Utah. In-lieu of a surety bond you may submit a \$5,000 short term renewable certificate of deposit with a Utah banking institution, providing the division is listed as a co-owner of the CD.

Failure to comply with this request within the next 30 days may subject the leases to cancellation pursuant to Article XIX of the lease agreement.

Also, these lease are beyond their primary term and may only be extended by diligent operations or commercial production. The leases will expire at the end of the current lease year if not placed into commercial production by that time.

Thank you for your cooperation. Please call me if you have any questions.

Sincerely,

JOHN T. BLAKE  
MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: Wayne Hedberg

